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## **BUILDERS REMAIN BULLISH ON AREA'S HOUSING STRENGTH ANALYST SEES AT LEAST 5 PERCENT GROWTH IN SECTOR IN NEXT YEAR**

Despite worries about the "housing bubble" bursting in areas of the nation, that apparently isn't a worry for the Huntsville area market or for you as you shop the market.

David Slyman Jr., developer of the Village of Providence, says the Huntsville area hasn't experienced the exorbitant housing prices like Miami and Orlando, Las Vegas, or New York. While Huntsville has been drawing some investors, it hasn't drawn the considerable investor clientele of those areas, which inflated their prices and created a bubble effect. Slyman says national news will not slow his continued development of Village of Providence. "Our sales are up, everything's been steady and we've had a great year," he says. "We're not seeing the downturns the rest of the country has seen."

The Huntsville area's continued solid, steady growth is a big part of Slyman staying the course, especially with BRAC and its related economic growth, which he says no one can be too ready for this impact. Slyman says Huntsville remains a stable market because it is where people want to live, which is unlike the major investment areas that draw speculative buyers worldwide who buy houses that no one ever moves into. "We don't see that in Huntsville in any substantial amount, so it hasn't created that bubble effect in Huntsville," he says. "We're somewhat insulated with the economy we have. We haven't had the increase in pricing or the bubble effect, so we didn't have that effect and we're not seeing that problem."

Huntsville's growth is based on solid economic advantages rooted in good job growth and a solid economy, Slyman says. The area's diverse economy with the Redstone Arsenal plays a large part in our marketplace, which has spun off a lot of new businesses. "You have an economically viable city with phenomenal planning and leadership, and they know how to look ahead and make that happen," he says. "Our biotech industry, in its infancy here, is something people are underestimating," he says. "I don't think the area realizes how big the HudsonAlpha Institute will be to this area."

Shawn Fairburn, president and chief executive officer of Hunter Homes, also anticipates a continued strong market in Huntsville while national news of a slump could swing consumer confidence toward buying lower-priced houses, which is Hunter Homes' targeted market.

Local construction will be boosted by the increasing availability of quality subcontractors and easing costs of lumber and petroleum-based products, Fairburn says. "We're still very bullish on Huntsville," he says of Hunter Homes' expectations for the area market. "We're still going strong in Huntsville." But the company is taking cautionary measures to avoid a problem should the market slow down. "We're doing more options as opposed to holding lots of raw land," Fairburn says. "We know there will be consumer confidence issues."

Buck Barnhill, owner and CEO of Southern Exposure Information, which tracks housing trends, says the bubble has not burst in Alabama. That's especially true with the recent opening of two new plants that brought more than 600 new jobs to the state. Barnhill says Huntsville remains among the strongest economically of the state's growth areas because of BRAC. Barnhill foresees at least a 5 percent increase in housing construction into next year, which will help the area withstand the effects of a potential housing slump in the nation.

"Huntsville is going to be a solid market for the next five years at least," he says. "Huntsville is like a little island all by itself. Everything that goes with it is good." This is further evidenced by the arrival of new major retailers, Barnhill says, which can be seen building in the area.

"All the indicators I've gotten say it's continuing to move up," says Larry Perreault, broker with Century 21 Steele & Associates in Huntsville, of the area housing market. "We're seeing an increase in sales and activity compared to this time last year and it's continuing to move with everything coming to Huntsville."

Perreault says BRAC is certainly a major economic advantage for the area. "I see nothing but positive for Huntsville for the next several years," he says. "The market right now is strong and I fully anticipate it will continue being strong. I think we'll see more business next year than we've seen this year."